



MINUTES
Economic Development Authority
July 5, 2022

CALL TO ORDER

The Economic Development Authority meeting was called to order at 5:03 pm.

Present: Chair: Jahn Dyvik; Vice Chair: Mike Feldmann; Board: Tim Hultmann, Gina Joyce, Deirdre Kvale, and Charlie Miner

Staff Present: City Administrator/Executive Director: Scott Weske; City Attorney: John Thames; and City Clerk: Jeanette Moeller

Absent: Sahand Elmtalab (all with prior notice)

PLEDGE OF ALLEGIANCE

APPROVE AGENDA

A motion was made by Feldmann, seconded by Miner, to approve the agenda. Ayes: all.

CONSENT AGENDA

A. Approve Minutes of May 17, 2022 Economic Development Authority Meeting

A motion was made by Miner, seconded by Feldmann, to approve the Consent Agenda as presented. Ayes: all.

OPEN CORRESPONDENCE

No one appeared to address the EDA under Open Correspondence.

BUSINESS ITEMS

Discussion Regarding Concept for City-Owned Property at 1905 W. Wayzata Boulevard, MVK Capital

City Clerk Moeller gave a brief summary of the past discussions regarding the concept of operating a restaurant on this property. She reported that following discussions at the last meeting, the EDA/City has received a revised concept from MVK Capital for a multi-tenant building on the 1905 W Wayzata Boulevard property. She noted that Planning Consultant Rybak had reviewed the concept to review possible land use applications that would be required, and indicated that the current concept would necessitate applications for a variance for parking; a CUP for outdoor restaurant seating; a variance for deviation from the off-street parking setback; and a variance for landscaping requirements, particularly for the number of trees proposed. She reminded the EDA that she had only asked Planning Consultant Rybak to look through some of the awareness/checklist type items for EDA discussion. She introduced Dario Klasic from MVK Capital.

Board member Joyce noted that during the last meeting there had been discussion about the possibility of moving the building closer to the sidewalk and asked if that had been revisited by the applicant.

Mr. Klasic highlighted some of the projects that MVK Capital has been involved in throughout the metropolitan area. He stated that they are interested in developing the property to put in a Tono's Pizzeria restaurant and also to have as many tenants as they can within the limited amount of space that is available. He explained that their architect had tried to move the building around on the site as mentioned by Board member Joyce, but doing so just did not allow for adequate parking spaces.

Chair Dyvik asked if MVK Capital already had a retail tenant in mind for the space.

Mr. Klasic replied that they did not at this time, but simply wanted to know from the City if this proposed concept would work for the EDA.

Chair Dyvik inquired whether the proposed space for the restaurant had decreased in size since the last concept proposal.

Ms. Klasic indicated that he believes the only change in the restaurant plans had been to pull the bathrooms outside of their space so they can be shared with the retail space.

The EDA asked questions about previous MVK Capital projects, potential traffic patterns for deliveries to the site, possible permitted retail tenant uses, potential limitations, parking, and the usual needs of fast-casual restaurants.

Chair Dyvik welcomed the EDA to express their opinions on the overall concept.

Board member Kvale expressed her support for the location to be used as a restaurant but noted that there will need to be parking options in the area so people can walk to the site if there is not enough space on site.

Board member Feldmann mentioned that his only concern is for making sure that people have the ability to back up and get out of the lot. He added that he was not bothered by the need for a parking variance for essentially the patio space seating.

The EDA discussed possible retail tenants that would be appropriate for this space as well as different parking configurations including potential changes to the front yard setback. The EDA expressed their approval of it as a general concept but noted that they would like to see the building closer to the sidewalk.

Chair Dyvik presented a draft sketch he had done previously, prior to this concept being presented, when he had taken a look to see if a 3,000 square foot building would even be possible on the site.

The EDA discussed various iterations of building, parking, patio locations, and how they may affect sight lines.

Board member Hultmann pointed out that the City has had parking issues since 1978 so, in his opinion, the City will have to bite the bullet and accept that if they support this concept.

Chair Dyvik stated that he agreed and explained that he would also support this concept, but reiterated that he would like to see it moved closer to the front, if possible.

Moeller asked Mr. Klasic if MVK Capital would be interested in coming back before the EDA in August with a revised site plan and to give them an initial take on what 'flavor' a downtown building could look like.

City Attorney Thames stated that he would also suggest that MVK Capital also come back with a formal acquisition proposal for the EDA to consider.

Chair Dyvik noted that in general, the EDA supports the concept being presented by MVK Capital.

Mr. Klasic asked if the concept being presented tonight ended up as a the 'worst-case scenario', would the EDA would still support it.

The EDA generally expressed the opinion that they would prefer that the building be moved forward on the lot, but if it cannot be done, they would still support moving forward with the project.

Thames suggested that when Mr. Klasic comes back with their official proposal that he include areas where they would, for example, need variances to do certain things. He suggested that they include things like, Option A could be done with variance help, and without the variance they could do Option B.

Moeller noted that she would be in touch with Mr. Klasic and would make sure he was in receipt of items such as the Village Design Guidelines so they could be prepared by the August EDA meeting.

Approval of Assignment of The Borough Project

Thames reviewed the draft Assignment Agreements for The Borough project with Lifestyle Communities desiring to assign their interest to a new developer, North Shore Development Partners/Long Lake Townhomes, LLC. He noted that the Assignment Agreements require both EDA and City Council approval.

Board member Kvale questioned why Lifestyle Communities was behind in their escrow and how much they were behind.

Executive Director Weske replied that he was not sure of the amount and explained that staff had known this potential change was coming.

Moeller clarified that North Shore Development Partners/Long Lake Townhomes, LLC is aware of the need to satisfy all of the currently incurred escrow debt by the existing entity and that they will be bound to submit their own financial securities. She noted that building permits will not be issued until all debt and financial securities have been satisfied and reiterated that Long Lake Townhomes, LLC is aware of all the requirements. She stated although The Borough, LLC would be removed from the agreements, she believed that the project, for now, would still be called The Borough. She mentioned that there are representatives from Long Lake Townhomes, LLC present at tonight's meeting if the EDA had any questions.

Katelyn Murray, North Shore Development Partners/Long Lake Townhomes, LLC, presented a handout depicting other projects they have done and indicated that they are happy to step in and run with this project. She encouraged the EDA to reach out to other cities that they have worked in such as Cottage Grove and New Brighton if they had any concerns about working with them. She confirmed that they are not proposing to make changes such as unit counts or parking arrangements, and the assignment agreements would change just the name and the entity involved on the original development agreements. She reported that they are under contract to close on the purchase of the project at the end of July and they are comfortable with the proposed time frames included in the agreements.

Board member Joyce asked if the project would still be called The Borough.

Ms. Murray stated that they have not done much work in that arena yet so she was not sure and could not answer with a definitive yes or no.

Chair Dyvik asked if North Shore Development Partners would own the building when the project was completed.

Ms. Murray stated that, traditionally, they hold ownership on their buildings and the project would be managed by a property management company.

A motion was made by Miner, second by Feldmann, to adopt Resolution No. 2022-36, a Resolution Approving Assignment of Development Documents for The Borough Project, from The Borough, LLC to Long Lake Townhomes, LLC and approving the sale of the affected property from The Borough, LLC to Long Lake Townhomes, LLC. Ayes: All.

OTHER BUSINESS

Next EDA Meeting - Moeller noted that if there was no objection from the EDA, their next meeting would be on the third Tuesday in August, and staff would allocate the normal July meeting time to hold a City Council Work Session meeting. It was the consensus of the EDA that the July EDA meeting should be cancelled.

ADJOURN

Hearing no objection, Chair Dyvik adjourned the meeting by general consent at 6:22 pm.

Respectfully submitted,
Scott Weske, Executive Director